

## **2013 DRAFTING REQUEST**

### **Bill**

Received: **10/8/2012** Received By: **mglass**  
Wanted: **As time permits** Same as LRB:  
For: **Administration-Budget 266 7597** By/Representing: **Ley**  
May Contact: Drafter: **mglass**  
Subject: **Gambling - lottery** Addl. Drafters:  
Extra Copies:

Submit via email: **YES**  
Requester's email:  
Carbon copy (CC) to:

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### **Pre Topic:**

DOA:.....Ley, BB0105 -

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### **Topic:**

Lottery annuity payments as lump sums

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### **Instructions:**

See attached

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### **Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mglass 10/26/2012			_____			
/1	mglass 1/26/2013	kfollett 10/29/2012	jfrantze 10/29/2012	_____	lparisi 10/29/2012		
/2	mglass 1/29/2013	kfollett 1/28/2013	jfrantze 1/28/2013	_____	sbasford 1/28/2013		
/3	mglass	kfollett	rschluet	_____	srose		

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	2/1/2013	1/29/2013	1/29/2013	_____	1/29/2013		
/4	mglass 2/4/2013	kfollett 2/1/2013	phenry 2/3/2013	_____ _____	sbasford 2/3/2013		State
/5		kfollett 2/4/2013	jmurphy 2/4/2013	_____ _____	mbarman 2/4/2013		State

FE Sent For:

&lt;END&gt;

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DOA:.....Ley, BB0105 -

### Topic:

Lottery annuity upon death

### Instructions:

See attached

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15 kf  
2/9  
Jan  
2/4/13  
Jan + JF  
2/4/13

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/3		kfollett 14/5f 2/19	rschluet 2/3ph	2/3 ph/8r	srose		

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13/5f  
1/29/13  
[Signature]  
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**Instructions:**

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/?	mglass						
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/1	kfollett	10/29/2012			lparisi		
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FE Sent For:

12/5f  
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/?	mglass	11/5f 10/27	11/5f 10/29	KM 10/29			

FE Sent For:

<END>

**Gibson-Glass, Mary**

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**From:** Kreye, Joseph  
**Sent:** Monday, October 08, 2012 8:52 AM  
**To:** Gibson-Glass, Mary  
**Subject:** FW: Statutory Language Drafting Request

Mary,  
This looks like a change to the lottery chapter.

Joe

**Joseph Kreye**  
**Senior Legislative Attorney**  
Legislative Reference Bureau  
608 266-2263

---

**From:** Hanaman, Cathlene  
**Sent:** Monday, October 08, 2012 8:51 AM  
**To:** Shovers, Marc; Kreye, Joseph  
**Subject:** FW: Statutory Language Drafting Request

You?

**From:** [Emily.Ley@wisconsin.gov](mailto:Emily.Ley@wisconsin.gov) [<mailto:Emily.Ley@wisconsin.gov>]  
**Sent:** Wednesday, October 03, 2012 5:46 PM  
**To:** Hanaman, Cathlene  
**Cc:** Frederick, Caitlin - DOA; Ley, Emily A - DOA; Thornton, Scott - DOA  
**Subject:** Statutory Language Drafting Request

**Biennial Budget:** 2013-15

**DOA Tracking Code:** BB0105

**Topic:** Option to Cash Out Lottery Annuity Upon Death

**SBO Team:** TLGED

**SBO Analyst:** Ley, Emily - DOA  
**Phone:** 608-266-7597  
**E-mail:** [Emily.Ley@wisconsin.gov](mailto:Emily.Ley@wisconsin.gov)

**Agency Acronym:** DOR

**Agency Number:** 566

**Priority:** Medium

**Intent:**

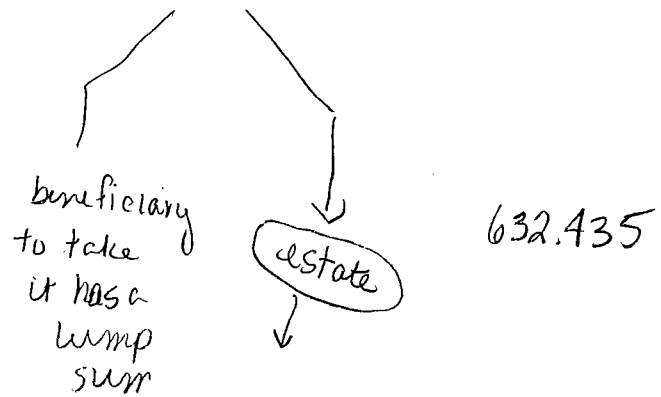
It is recommended that a one-time option to cash out upon death be created for all current and future annuitants. The one-time option should have a window of opportunity that starts with the date on a certificate of death or other similar document, and which is long enough to provide executor(s) reasonable time of consideration, possibly 12 months. Language similar to the industry standard, as maintained by

the Multi-State Lottery Association (MUSL), is recommended. Sec. 565.29, Wis. Stats., would need to be revised similar in structure to sec. 565.28, Wis. Stats.

A minimum of 3 months between the passage of the legislation and the effective date of the language will allow time for implementation.

**Attachments:** False

Please send completed drafts to [statlanguage@wisapps.wi.gov](mailto:statlanguage@wisapps.wi.gov)



## **Gibson-Glass, Mary**

---

**From:** Ley, Emily A - DOA <Emily.Ley@wisconsin.gov>  
**Sent:** Wednesday, October 24, 2012 2:06 PM  
**To:** Gibson-Glass, Mary  
**Subject:** RE: Lottery Lump Sum Payment Option

Hi Mary,

Thanks for your reminder email. Here is what I received back from DOR on the lottery annuity payments upon death question:

Option to Cash Out Lottery Annuity upon Death

Do Lottery winners typically designate a beneficiary or does the annuity pass directly to the estate? In what cases would an annuitant's estate not become the payee?

The annuities pass directly to the estates of those who are deceased. The Lottery does not provide a beneficiary designation. However, if the estate is split among multiple heirs, DOR will accordingly make payments to those designated in the estate.

The goal with this DIN is to provide a taxpayer option, which would not only be a welcome choice for some taxpayers, but also allow DOR to avoid some cases where we go from paying one winning individual to multiple beneficiaries of that individual's estate.

More directly to the second part of the question, the estate is always the payee and remains the beneficiary until the Lottery receives a court order designating other beneficiaries. As referenced above, annuity payments are then made to each beneficiary.

If you'd like more info, I'd be happy to put you in touch with the lottery analyst or set up a conference call.  
Emily

---

**From:** Gibson-Glass, Mary [<mailto:Mary.Gibson-Glass@legis.wisconsin.gov>]  
**Sent:** Tuesday, October 23, 2012 1:58 PM  
**To:** Ley, Emily A - DOA  
**Subject:** RE: Lottery Lump Sum Payment Option

Hi Emily,

Have you heard anything more? You and I could talk to DOR directly with a conference call, or I could call directly over there, if that would help.

Thanks,

Mary

---

**From:** Ley, Emily A - DOA [<mailto:Emily.Ley@wisconsin.gov>]  
**Sent:** Tuesday, October 16, 2012 1:46 PM  
**To:** Gibson-Glass, Mary  
**Subject:** Lottery Lump Sum Payment Option

Hi Mary,

DOR provided the attached write-up on the Lottery Lump Sum Payment request. I think this helps answer part of your question on how annuity payments currently work, but I have asked for more information on designation of beneficiary versus estate executor. I'll forward any response I get.

Emily

Emily Ley  
Executive Policy & Budget Analyst  
Department of Administration  
Division of Executive Budget and Finance  
(608)-266-7597  
[emily.ley@wisconsin.gov](mailto:emily.ley@wisconsin.gov)



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-0229

MGG...

RMR

DOA:.....Ley, BB0105 – Lottery annuity upon death

**FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION**

Don't Gen

1 **AN ACT ...; relating to: the budget.**

*Analysis by the Legislative Reference Bureau*

**GAMBLING**

Under current law, a lottery prize winner may receive payment of the prize either in the form of a lump sum or in installments as an annuity. If a prize winner dies before all of the installments are made, the prize may be paid to person's estate.

This bill specifically provides that in the case of the death of a prize winner, any installments that have not been paid shall be paid to the winner's estate. The bill also authorizes the personal representative of the estate to elect for the estate to receive the remaining installments as a lump sum.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

2 **SECTION 1.** 565.30 (1) of the statutes is amended to read:

3 565.30 (1) PAYMENT OF PRIZES. The administrator shall direct the payment of  
4 a prize, in the form elected under s. 565.28, if applicable, to the holder of the winning  
5 lottery ticket or lottery share or to a person designated under sub. (2), except that a

## SECTION 1

1 prize may be paid to another person under a court order or <sup>2</sup> upon the death of the prize  
2 winner, any remaining prize shall be paid to the prize winner's estate of a deceased  
3 prize winner. <sup>a</sup> ~~If a prize is being paid to the estate of a deceased prize winner and the~~  
4 prize is in the form of <sup>an</sup> annuity, the administrator shall direct the payment in the form  
5 of a lump sum, if the personal representative for the estate elects this option. <sup>plain</sup> The  
6 department, administrator, state and any contractor for materials, equipment or  
7 services of the game in which the prize is won are discharged of all liability upon  
8 payment of the prize to the holder of a winning lottery ticket or lottery share.

History: 1987 a. 119, 399; 1989 a. 31; 1989 a. 56 s. 259; 1989 a. 359; 1991 a. 269; 1993 a. 16, 481; 1995 a. 27 ss. 6981j, 6981k, 9126 (19); 1995 a. 225, 404; 1997 a. 3, 27, 35; 1997 a. 148 ss. 3 to 5; 1997 a. 191; 1999 a. 9, 185, 194; 2005 a. 387; 2005 a. 443 s. 265; 2007 a. 20; 2009 a. 402; 2011 a. 257.

(END)

## **Gibson-Glass, Mary**

---

**From:** Ley, Emily A - DOA <Emily.Ley@wisconsin.gov>  
**Sent:** Monday, January 14, 2013 5:27 PM  
**To:** Gibson-Glass, Mary  
**Subject:** BB0105 Lottery annuity upon death effective date

Hi Mary,

I've reviewed your draft of BB0105, Lottery annuity upon death, and the content looks fine. DOR has requested an effective date of 3 months after publication to allow time for implementation. Could you please add that to your draft?

Thank you,  
Emily

Emily Ley  
Executive Policy & Budget Analyst  
Department of Administration  
Division of Executive Budget and Finance  
(608)-266-7597  
[emily.ley@wisconsin.gov](mailto:emily.ley@wisconsin.gov)

-0229



## **Gibson-Glass, Mary**

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**From:** Hanaman, Cathlene  
**Sent:** Friday, January 25, 2013 11:36 AM  
**To:** Gibson-Glass, Mary; Gallagher, Michael  
**Subject:** FW: Statutory Language Drafting Request - BB0425

**From:** [jeffrey.lawrence@wisconsin.gov](mailto:jeffrey.lawrence@wisconsin.gov) [<mailto:jeffrey.lawrence@wisconsin.gov>]  
**Sent:** Friday, January 25, 2013 11:35 AM  
**To:** Hanaman, Cathlene  
**Cc:** Gauger, Michelle C - DOA; Lawrence, Jeffrey R - DOA; Thornton, Scott - DOA  
**Subject:** Statutory Language Drafting Request - BB0425

**Biennial Budget:** 2013-15

**DOA Tracking Code:** BB0425

**Topic:** Modify Dollar Amount for Board Approval of Changes to State Veterans Memorials

**SBO Team:** HSI

**SBO Analyst:** Lawrence, Jeff - DOA  
**Phone:** (608) 267-9546  
**E-mail:** [jeffrey.lawrence@wisconsin.gov](mailto:jeffrey.lawrence@wisconsin.gov)

**Agency Acronym:** DVA

**Agency Number:** 485

**Priority:** Medium

**Intent:**

Include for consideration in budget bill.

Currently state statute requires Board of Veterans Affairs approval for any changes to or creation of veterans memorials regardless of dollar amount. Amend statute to require board approval if the dollar amount of the project is over \$25,000, whether it is for creation or change.

**Attachments:** False

*Please send completed drafts to [statlanguage@wisapps.wi.gov](mailto:statlanguage@wisapps.wi.gov)*

## Gibson-Glass, Mary

---

**From:** Ley, Emily A - DOA <Emily.Ley@wisconsin.gov>  
**Sent:** Friday, January 25, 2013 12:18 PM  
**To:** Gibson-Glass, Mary  
**Subject:** 0229 Lottery annuity upon death

Hi Mary,

Here is the response from DOR on our question on the initial application date. Rather than an application date, DOR would prefer **not** to include an initial application date, but instead include a window of opportunity that starts with the date on a certificate of death or other similar document, and which is long enough to provide executors reasonable time of consideration, possibly 12 or 18 months, to apply to the Lottery for the lump sum payment. The intent is to allow all current and future annuitants to be eligible for the lump sum cash out option within a time period after death of the lottery winner, regardless of the date of the lottery win.

The lump sum payment of an annuity upon death is part of the Multi-State Lottery Agreement (MUSL) and several member states have similar provisions. DOR provided language below.

Thanks Mary! Please let me know if you have any other questions or if a conference call with DOR would be helpful.

Emily

---

**From:** Wagner, Michael W - DOR  
**Sent:** Friday, January 25, 2013 12:02 PM  
**To:** Ley, Emily A - DOA  
**Subject:** RE: Lottery annuity upon death

Emily,

First of all, we submitted extremely poor drafting instructions. I apologize for not giving the oversight necessary for this item in our budget request. I've broken out your e-mail into a Q&A format below.

**Issue 1:** The drafter suggested adding an initial application date (for example, lottery drawings after January 1, 2010).

**Response:** We don't want an initial application date based on drawings. Our trigger is the death of the annuitant. We actually want any current annuitant's estate (whether the drawing was in 1988 or 2008) to be eligible for this cash-out option upon death.

**Issue 2:** I understand DOR to be asking for a window of opportunity (possibly 1 year) in which a lottery winner's estate can opt for a lump sum payment, regardless of the lottery drawing date. Is this correct?

**Response:** You are correct. We'd be happy with a 1-year window, but actually wouldn't mind this window to be 18 months.

**Issue 3:** Also, do you want to include language on the estate petitioning the lottery for the lump sum?

**Response:** Yes. How about something along the lines of "the estate shall petition the Lottery via a method prescribed by the Lottery." In other words, we envision having a form on our website for the estate to fill out and submit. We don't want to be overly specific in statute about the type of form. We want to have flexibility to adjust to changing needs. We want estates to do this (it's a win-win for both us and the winners' estates), so we envision maximum flexibility.

**Issue 4:** ...please review the drafting instructions on DIN 7039. S.565.29 does not exist under current law.

You're right. I should have caught this. This was an awkward suggestion to create 565.29. However, we'll defer appropriate placement to the drafter.

Issue 5: In the drafting template, we point to the Multi-State Lottery Association's (MUSL) language, which we didn't provide (by the way, their provision is in effect for Powerball and Mega Millions. This budget provision is to provide similar treatment for our in-state games with annuities). I have the MUSL language below if it's helpful to the drafter. If the drafter has a better way to do it, that's fine.

From MUSL:

**RULE 30—ACCELERATION TO ESTATE.**

**30.1 Authority.** *Unless prohibited by jurisdictional law, the Finance & Audit Committee shall have the authority to grant an estate's request for acceleration of the payment of all remaining lottery prize proceeds held by MUSL or a Party Lottery.*

Comment: We want a "shall grant" instead of shall have the authority to grant.

**30.2 Request.** *In the event of the death of a lottery winner during the payment period, the Finance & Audit Committee, in its sole discretion, upon the petition of the estate of the lottery winner (the "Estate") to the lottery of the jurisdiction in which the deceased lottery winner purchased the winning ticket, and subject to federal, state, district, or territorial applicable statute, may accelerate the payment of all of the remaining lottery proceeds to the Estate. If the Finance & Audit Committee makes such a determination, then securities and/or cash held to fund the deceased lottery winner's annuitized prize may be distributed to the Estate. The identification of the securities to fund the annuitized prize shall be at the sole discretion of the Finance & Audit Committee.*

Comment: Again, we don't want discretion for properly filed petitions. We want a "shall" for this too.

-Mike

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**From:** Ley, Emily A - DOA  
**Sent:** Thursday, January 24, 2013 1:43 PM  
**To:** Wagner, Michael W - DOR  
**Subject:** RE: Lottery annuity upon death

Mike,  
The drafter suggested adding an initial application date (for example, lottery drawings after January 1, 2010), but I understand DOR to be asking for a window of opportunity (possibly 1 year) in which a lottery winner's estate can opt for a lump sum payment, regardless of the lottery drawing date. Is this correct? Also, do you want to include language on the estate petitioning the lottery for the lump sum? If you can, please review the drafting instructions on DIN 7039. S.565.29 does not exist under current law.

---

**From:** Wagner, Michael W - DOR  
**Sent:** Thursday, January 24, 2013 11:09 AM  
**To:** Ley, Emily A - DOA  
**Subject:** RE: Lottery annuity upon death

Emily,

Our preference is the same as what the drafter suggests—option available for all current and future annuitants.

-Mike

---

**From:** Ley, Emily A - DOA  
**Sent:** Thursday, January 24, 2013 9:40 AM  
**To:** Wagner, Michael W - DOR  
**Subject:** Lottery annuity upon death

Hi Mike,

Of course I have more questions! I should never have suggested we were nearing the end.

I was talking with the drafter on DIN 7039, Option to cash out an annuity upon death, and she suggested adding an initial application date in addition to a delayed effective date. Does DOR want the lump sum option for all current annuitants or for annuitants after a certain prize date? The request has all current and future annuitants, but please confirm.

Thanks!

Emily Ley  
Executive Policy & Budget Analyst  
Department of Administration  
Division of Executive Budget and Finance  
(608)-266-7597  
[emily.ley@wisconsin.gov](mailto:emily.ley@wisconsin.gov)

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## Gibson-Glass, Mary

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**From:** Ley, Emily A - DOA <Emily.Ley@wisconsin.gov>  
**Sent:** Friday, January 25, 2013 4:44 PM  
**To:** Gibson-Glass, Mary  
**Subject:** FW: Lottery annuity upon death

**Importance:** High

Hi Mary,

I just received this follow up on our request for 0229 Lottery Annuity Upon Death. The Lottery would like to clarify that estates will have 18 months after the death of the annuitant to opt for the lump sum payment. For estates currently receiving annuity payments from the death of a lottery winner, the estate would have 18 months from the date of the law change to apply for lump sum cash option.

Sorry for the late information. Feel free to call or email with questions.

Thank you,

Emily

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**From:** Wagner, Michael W - DOR  
**Sent:** Friday, January 25, 2013 4:37 PM  
**To:** Ley, Emily A - DOA  
**Subject:** RE: Lottery annuity upon death

Sorry....late breaking addition to this one.

Regarding Issue 1, Lottery is also looking for a window for heirs of an estate to petition the Lottery to opt for the cash out option for deaths that occurred prior to the law change. Again, we want all current annuities, regardless of when the winning drawing occurred to be eligible, but we want to limit the ability of current estates from opting for the cash out to 18 months after the law change.

Deaths of annuitants occurring after the law change: estates have 18 months to opt for the cash-out.

Estates collecting existing annuities for deaths occurring prior to the law change: estates have 18 months within the law change to opt for the cash-out option.

Let me know if this isn't making sense.

-Mike

---

**From:** Ley, Emily A - DOA  
**Sent:** Friday, January 25, 2013 12:11 PM  
**To:** Wagner, Michael W - DOR  
**Subject:** RE: Lottery annuity upon death

Thank you! This is very very helpful. I'll forward your response on to the drafters and let you know if she has additional questions.

---

**From:** Wagner, Michael W - DOR  
**Sent:** Friday, January 25, 2013 12:02 PM

**To:** Ley, Emily A - DOA  
**Subject:** RE: Lottery annuity upon death

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**Response:** We don't want an initial application date based on drawings. Our trigger is the death of the annuitant. We actually want any current annuitant's estate (whether the drawing was in 1988 or 2008) to be eligible for this cash-out option upon death.

**Issue 2:** I understand DOR to be asking for a window of opportunity (possibly 1 year) in which a lottery winner's estate can opt for a lump sum payment, regardless of the lottery drawing date. Is this correct?

**Response:** You are correct. We'd be happy with a 1-year window, but actually wouldn't mind this window to be 18 months.

**Issue 3:** Also, do you want to include language on the estate petitioning the lottery for the lump sum?

**Response:** Yes. How about something along the lines of "the estate shall petition the Lottery via a method prescribed by the Lottery." In other words, we envision having a form on our website for the estate to fill out and submit. We don't want to be overly specific in statute about the type of form. We want to have flexibility to adjust to changing needs. We want estates to do this (it's a win-win for both us and the winners' estates), so we envision maximum flexibility.

**Issue 4:** ...please review the drafting instructions on DIN 7039. S.565.29 does not exist under current law.

You're right. I should have caught this. This was an awkward suggestion to create 565.29. However, we'll defer appropriate placement to the drafter.

**Issue 5:** In the drafting template, we point to the Multi-State Lottery Association's (MUSL) language, which we didn't provide (by the way, their provision is in effect for Powerball and Mega Millions. This budget provision is to provide similar treatment for our in-state games with annuities). I have the MUSL language below if it's helpful to the drafter. If the drafter has a better way to do it, that's fine.

From MUSL:

**RULE 30—ACCELERATION TO ESTATE.**

**30.1 Authority.** *Unless prohibited by jurisdictional law, the Finance & Audit Committee shall have the authority to grant an estate's request for acceleration of the payment of all remaining lottery prize proceeds held by MUSL or a Party Lottery.*

**Comment:** We want a "shall grant" instead of shall have the authority to grant.

**30.2 Request.** *In the event of the death of a lottery winner during the payment period, the Finance & Audit Committee, in its sole discretion, upon the petition of the estate of the lottery winner (the "Estate") to the lottery of the jurisdiction in which the deceased lottery winner purchased the winning ticket, and subject to federal, state, district, or territorial applicable statute, may accelerate the payment of all of the remaining lottery proceeds to the Estate. If the Finance & Audit Committee makes such a determination, then securities and/or cash held to fund the deceased lottery winner's annuitized prize may be distributed to the Estate. The identification of the securities to fund the annuitized prize shall be at the sole discretion of the Finance & Audit Committee.*

**Comment:** Again, we don't want discretion for properly filed petitions. We want a "shall" for this too.

-Mike

---

**From:** Ley, Emily A - DOA  
**Sent:** Thursday, January 24, 2013 1:43 PM

**To:** Wagner, Michael W - DOR  
**Subject:** RE: Lottery annuity upon death

Mike,

The drafter suggested adding an initial application date (for example, lottery drawings after January 1, 2010), but I understand DOR to be asking for a window of opportunity (possibly 1 year) in which a lottery winner's estate can opt for a lump sum payment, regardless of the lottery drawing date. Is this correct? Also, do you want to include language on the estate petitioning the lottery for the lump sum? If you can, please review the drafting instructions on DIN 7039. S.565.29 does not exist under current law.

---

**From:** Wagner, Michael W - DOR  
**Sent:** Thursday, January 24, 2013 11:09 AM  
**To:** Ley, Emily A - DOA  
**Subject:** RE: Lottery annuity upon death

Emily,

Our preference is the same as what the drafter suggests—option available for all current and future annuitants.

-Mike

---

**From:** Ley, Emily A - DOA  
**Sent:** Thursday, January 24, 2013 9:40 AM  
**To:** Wagner, Michael W - DOR  
**Subject:** Lottery annuity upon death

Hi Mike,

Of course I have more questions! I should never have suggested we were nearing the end.

I was talking with the drafter on DIN 7039, Option to cash out an annuity upon death, and she suggested adding an initial application date in addition to a delayed effective date. Does DOR want the lump sum option for all current annuitants or for annuitants after a certain prize date? The request has all current and future annuitants, but please confirm.

Thanks!

Emily Ley  
Executive Policy & Budget Analyst  
Department of Administration  
Division of Executive Budget and Finance  
(608)-266-7597  
[emily.ley@wisconsin.gov](mailto:emily.ley@wisconsin.gov)

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State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-0229/Y  
MGG:kjf:jf

2  
RMR

DOA:.....Ley, BB0105 – Lottery annuity upon death

**FOR 2013-2015 BUDGET – NOT READY FOR INTRODUCTION**

Don't Gen

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**GAMBLING**

Under current law, a lottery prize winner may receive payment of the prize either in the form of a lump sum or in installments as an annuity. If a prize winner dies before all of the installments are made, the prize may be paid to the person's estate.

This bill specifically provides that in the case of the death of a prize winner, any installments that have not been paid shall be paid to the winner's estate. The bill also authorizes the personal representative of the estate to elect for the estate to receive the remaining installments as a lump sum.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

change component

x renumbered 565.30 (1) (a) and

SECTION 1. 565.30 (1) of the statutes is amended to read:

565.30 (1) ~~PAYMENT OF PRIZES~~ <sup>no score → (a)</sup> The administrator shall direct the payment of a prize, in the form elected under s. 565.28, if applicable, to the holder of the winning



1 lottery ticket or lottery share or to a person designated under sub. (2), except that a

2 prize may be paid to another person under a court order or, upon the death of a prize  
~~Money that has not been paid~~

3 winner, any remaining prize shall be paid to the prize winner's estate of a deceased

4 prize winner. If a prize is being paid to the estate of a deceased prize winner and the

5 prize is in the form of an annuity, the administrator shall direct the payment in the

6 form of a lump sum, if the personal representative for the estate elects this option.

7 (c) The department, administrator, state and any contractor for materials, equipment

8 or services of the game in which the prize is won are discharged of all liability upon

9 payment of the prize to the holder of a winning lottery ticket or lottery share.

10 (END)

← INSERT 2-9

S. ...

... ..

(1) Lottery ... The ...

2013-2014 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-0229/2ins  
MGG:.....

Insert 2-9

SECTION 1. 565.30 (1) (b) of the statutes is created to read:

565.30 (1) (b) If prize money is being paid in the form of an annuity to a prize winner <sup>at the time of his or her death</sup> when he or she dies, and if the personal representative of <sup>the</sup> prize winner's estate notifies the administrator within 18 months after the death of the prize winner that the personal representative wants the estate to be paid the remaining prize money in the form of a lump sum, the administrator shall direct that the payment be made as a lump sum. <sup>insert a Revenue</sup>

<sup>Page 37</sup> SECTION 9349. Initial applicability; Veterans Affairs <sup>renumbering and amendment</sup>

(1) PAYMENTS TO ESTATES OF LOTTERY WINNERS. The <sup>Revenue</sup> treatment of section 565.30 (1) of the statutes and the creation of section 565.30 (1) (b) of the statutes first <sup>applies</sup> apply to the annuity payments made to the estates of prize winners that are paid on <sup>on</sup> the effective date of this subsection. <sup>Revenue</sup>

<sup>Page 37</sup> SECTION 9449. Effective dates; Veterans Affairs <sup>renumbering and amendment</sup>

(1) PAYMENTS TO ESTATES OF LOTTERY WINNERS. The <sup>Revenue</sup> treatment of sections 565.30 of the statutes and the creation of section 565.30 (1) (b) of the statutes take effect on the first day of the 4th month beginning after publication.

**2013-2014 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0229/2ins  
MGG:...

**Insert 2-9**

**SECTION 1.** 565.30 (1) (b) of the statutes is created to read:

565.30 (1) (b) If prize money is being paid in the form an annuity to a prize winner when he or she dies, and if the personal representative of prize winner's estate notifies the administrator within 18 months after the death of the prize winner that the personal representative wants the estate to be paid the remaining prize money in the form of a lump sum, the administrator shall direct that the payment be made as a lump sum.

**SECTION 9349. Initial applicability; Veterans Affairs.**

(1) PAYMENTS TO ESTATES OF LOTTERY PRIZES. The treatment of section 565.30 (1) of the statutes and the creation of section 565.30 (1) (b) of the statutes first apply to the estates of prize winners who die on the effective date of this subsection.

**SECTION 9449. Effective dates; Veterans Affairs.**

(1) PAYMENTS TO ESTATES OF LOTTERY PRIZES. The treatment of sections 565.30 of the statutes and the creation of section 565.30 (1) (b) of the statutes take effect on the first day of the 4th month beginning after publication.

insert  
a

for

The administrator shall establish a procedure for notifying to be used by personal representatives providing notification under this paragraph.



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-0229/23

MGG:kjf:jf

RMK

D-N

DOA:.....Ley, BB0105 - Lottery annuity upon death

**FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION**

NOV

Don't Gen

1 **AN ACT ...; relating to: the budget.**

---

*Analysis by the Legislative Reference Bureau*

**GAMBLING**

Under current law, a lottery prize winner may receive payment of the prize either in the form of a lump sum or in installments as an annuity. If a prize winner dies before all of the installments are made, the prize may be paid to the person's estate.

This bill specifically provides that in the case of the death of a prize winner, any installments that have not been paid shall be paid to the winner's estate. The bill also authorizes the personal representative of the estate to elect for the estate to receive the remaining installments as a lump sum.

---

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

2           **SECTION 1.** 565.30 (1) of the statutes is renumbered 565.30 (1) (a) and amended  
3           to read:  
4           565.30 (1) (a) The administrator shall direct the payment of a prize, in the form  
5           elected under s. 565.28, if applicable, to the holder of the winning lottery ticket or

lottery share or to a person designated under sub. (2), except that a prize may be paid to another person under a court order or, upon the death of a prize winner, any prize money that has not been paid shall be paid to the prize winner's estate of a deceased prize winner.

(c) The department, administrator, state and any contractor for materials, equipment or services of the game in which the prize is won are discharged of all liability upon payment of the prize to the holder of a winning lottery ticket or lottery share.

**SECTION 2.** 565.30 (1) (b) of the statutes is created to read:

565.30 (1) (b) If prize money is being paid in the form of an annuity to a prize winner at the time of his or her death, and if the personal representative of the prize winner's estate notifies the administrator within 18 months after the death of the prize winner that the personal representative wants the estate to be paid the remaining prize money in the form of a lump sum, the administrator shall direct that the payment be made as a lump sum. The administrator shall establish a procedure to be used by personal representatives for providing notification under this paragraph.

**SECTION 9337. Initial applicability; Revenue.**

(1) PAYMENTS TO ESTATES OF LOTTERY WINNERS. The renumbering and amendment of section 565.30 (1) of the statutes and the creation of section 565.30 (1) (b) of the statutes first applies <sup>apply</sup> to the annuity payments made to the estates of prize winners that are paid on the effective date of this subsection.

**SECTION 9437. Effective dates; Revenue.**

(1) PAYMENTS TO ESTATES OF LOTTERY WINNERS. The renumbering and amendment of section 565.30 <sup>(1)</sup> of the statutes <sup>and</sup> the creation of section 565.30 (1) (b)

*a.f.*  
(CS) SECTION 9337(1) of this act take  
and  
=

1 of the statutes takes effect on the first day of the 4th month beginning after  
2 publication.

3 (END)

Date

(D-N)

LRB-0229/3dn  
MGG:kjf

The effective date provision needed redrafting <sup>to make</sup> so that  
the initial applicability date and the effective date  
~~are~~ the same.

MGG

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-0229/3dn  
MGG:kjf:rs

January 29, 2013

The effective date provision needed redrafting to make the initial applicability date and the effective date the same.

Mary Gibson-Glass  
Senior Legislative Attorney  
Phone: (608) 267-3215  
E-mail: [mary.gibson-glass@legis.wisconsin.gov](mailto:mary.gibson-glass@legis.wisconsin.gov)

## Gibson-Glass, Mary

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**From:** Ley, Emily A - DOA <Emily.Ley@wisconsin.gov>  
**Sent:** Wednesday, January 30, 2013 9:10 AM  
**To:** Gibson-Glass, Mary  
**Subject:** LRB 0229 lottery annuity

Hi Mary,

I'm sorry if this draft has become a hassle – I can't imagine how busy you are right now.

DOR has reviewed draft 0229/2 and provided a few notes below. What do you think? These seem to still be relevant to draft 3. I think we're having some issues with the Sharepoint site (did you attach a note to draft 3? If so, I haven't been able to see it) so if you prefer, feel free to email me directly with notes or questions. Thanks Mary, I'm around all day if you'd like to talk this through.

Emily

---

**From:** Wagner, Michael W - DOR  
**Sent:** Tuesday, January 29, 2013 7:14 PM  
**To:** Ley, Emily A - DOA  
**Subject:** RE: draft of lottery annuity

Emily,

A few notes on the draft.

First, you understood our intent about the 18 month window for deaths that occurred prior to the law change; but I don't think that the draft captured it (see our e-mail exchange from a few days ago below). I suspect that this would fit in Section 9337, but that's the drafter's call.

Next, our Lottery crew is concerned now that this will somehow interfere with how lump sums are currently awarded to estates governed by the Multi-State Lottery Association's code (so, multi-state games like Powerball and Mega Millions). They want some specificity to ensure that this provision is for state games (like Megabucks and whatever else comes in the future). So, in that light, they want to amend page 2, line 10 as follows:

"...(b) If prize money, excluding prize money from multijurisdictional games, is being paid in the form of an annuity to a prize..."

Third, the Lottery doesn't like the initial applicability date as, "first applies to the annuity payments made to the estates of prize winners that are paid on the effective date of this subsection..." (page 2, lines 21-22). However, maybe we're just misunderstanding the drafter. Tying this to an annuity payment doesn't seem to make much sense, but maybe the purpose is to limit the lump sum amount to the remaining annuity payment amounts? I'll be happy to back down on this item, but I just need some more understanding before I counter it with our Lottery staff.

Finally, we'd prefer the effective date to be sooner than the first day of the 4<sup>th</sup> month (I think that we could do day after publication), but this is a more a minor issue. We'll cope with what we get.

I'm sorry for all of the problems with this one. I realize that the onus is largely on us.

-Mike

**From:** Ley, Emily A - DOA  
**Sent:** Friday, January 25, 2013 4:40 PM



**To:** Wagner, Michael W - DOR  
**Subject:** RE: Lottery annuity upon death

I see: 18 months after death, and 18 months after law change for estates already receiving annuity payments.  
I'll forward this to the drafter.

**From:** Wagner, Michael W - DOR  
**Sent:** Friday, January 25, 2013 4:37 PM  
**To:** Ley, Emily A - DOA  
**Subject:** RE: Lottery annuity upon death

Sorry....late breaking addition to this one.

Regarding Issue 1, Lottery is also looking for a window for heirs of an estate to petition the Lottery to opt for the cash out option for deaths that occurred prior to the law change. Again, we want all current annuities, regardless of when the winning drawing occurred to be eligible, but we want to limit the ability of current estates from opting for the cash out to 18 months after the law change.

Deaths of annuitants occurring after the law change: estates have 18 months to opt for the cash-out.  
Estates collecting existing annuities for deaths occurring prior to the law change: estates have 18 months within the law change to opt for the cash-out option.

Let me know if this isn't making sense.

-Mike

---

**From:** Ley, Emily A - DOA  
**Sent:** Monday, January 28, 2013 3:54 PM  
**To:** Wagner, Michael W - DOR  
**Subject:** draft of lottery annuity

Hi Mike,

Here is the draft of DIN 7039 Option to cash out lottery annuity upon death. Let me know if you see any problems or would like modifications. Thanks,

Emily Ley  
Executive Policy & Budget Analyst  
Department of Administration  
Division of Executive Budget and Finance  
(608)-266-7597  
[emily.ley@wisconsin.gov](mailto:emily.ley@wisconsin.gov)

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## Gibson-Glass, Mary

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**From:** Ley, Emily A - DOA <Emily.Ley@wisconsin.gov>  
**Sent:** Friday, February 01, 2013 10:20 AM  
**To:** Gibson-Glass, Mary  
**Subject:** FW: Lottery annuity upon death  
**Attachments:** Lottery Annuity Upon Death w. Emily's notes.docx

Hi Mary,

When you have time today, can you give me a call at 6-7597 to go through the attached document? I've tried to work through this with DOR staff and I'd like to hear your thoughts.

---

**From:** Wagner, Michael W - DOR  
**Sent:** Thursday, January 31, 2013 7:54 PM  
**To:** Ley, Emily A - DOA  
**Subject:** RE: Lottery annuity upon death

Emily,

We're close. I'm responding to your comments in the Word document.

Comment 1: You're right. It's fine.

Comment 2: Our staff prefers "multijurisdictional." The word is defined in this chapter (Sec. 565.01 (4f): "Multijurisdictional" means pertaining to another state of the United States of America, the District of Columbia, the Commonwealth of Puerto Rico or any territory or possession of the United States of America or the government of Canada or any province thereof.). Also, since the Multi-State Lottery Association may change its name someday, we don't want to be tied to that.

Comment 3: "Petitions" is better than "notifies." Good suggestion.

Comment 4: the "(b)" portion is almost there. I like how you created the two-tiered window, which merges into one window after 18 months. Since (a) is specific to the personal representative of the prize winner's estate, we need to tie (b) to something different because these estates will likely have been long-settled, and it's the beneficiaries that we want to provide an additional 18-month window to. How about something along the lines of:

"or b) for beneficiaries receiving an annuity under s. 565.30 (1), 18 months after the effective date of the bill."

We're still open to doing a conference call tomorrow any time after 10:30 if it would be helpful.

-Mike

P.S. I appreciate your patience with us on this.

---

**From:** Ley, Emily A - DOA  
**Sent:** Wednesday, January 30, 2013 3:05 PM  
**To:** Wagner, Michael W - DOR  
**Subject:** Lottery annuity upon death

Hi Mike,

In an effort to clear this up, I've taken the liberty of editing the draft. Will you take a look and confirm my changes or suggest your own modifications? I will send our draft to Mary and we can talk through it. I'd especially like your feedback on the effective date of the section.

Emily Ley  
Executive Policy & Budget Analyst  
Department of Administration

Division of Executive Budget and Finance  
(608)-266-7597  
[emily.ley@wisconsin.gov](mailto:emily.ley@wisconsin.gov)

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State of Wisconsin  
2013 - 2014 LEGISLATURE



RMK

LRB-0229/37

MGG:kjfrs

DOA:.....Ley, BB0105 - Lottery annuity upon death

**FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION**

purf ✓

of prize money from a lottery that  
not a multi-state lottery

if the prize money was not in  
a.

Don't Gen

The ability to <sup>choose</sup> ~~choose~~ a lump  
sum payment is ~~not~~ available  
when the <sup>prize</sup> prize money is  
from a multi-state lottery.

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**GAMBLING**

Under current law, a lottery prize winner may receive payment of the prize either in the form of a lump sum or in installments as an annuity. If a prize winner dies before all of the installments are made, the prize may be paid to the person's estate.

This bill specifically provides that in the case of the death of a prize winner, any installments that have not been paid shall be paid to the winner's estate. The bill ~~also~~ <sup>also</sup> authorizes the personal representative of the estate to ~~elect~~ <sup>choose</sup> for the estate to receive the remaining installments as a lump sum.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

2 SECTION 1. 565.30 (1) of the statutes is renumbered 565.30 (1) (a) and amended

3 to read:

4 565.30 (1) (a) The administrator shall direct the payment of a prize, in the form

5 elected under s. 565.28, if applicable, to the holder of the winning lottery ticket or

1 other than prize money from a multi-jurisdictional lottery,  
 2 lottery share or to a person designated under sub. (2), except that a prize may be paid  
 3 to another person under a court order or, upon the death of a prize winner, any prize  
 4 money that has not been paid shall be paid to the prize winner's estate of a deceased  
 5 prize winner.

6 (c) The department, administrator, state and any contractor for materials,  
 7 equipment or services of the game in which the prize is won are discharged of all  
 8 liability upon payment of the prize to the holder of a winning lottery ticket or lottery  
 9 share.

10 **SECTION 2.** 565.30 (1) (b) of the statutes is created to read:

11 *petitions* 565.30 (1) (b) If prize money is being paid in the form of an annuity to a prize  
 12 winner at the time of his or her death, and if the personal representative of the prize  
 13 winner's estate <sup>a</sup>notifies the administrator within 18 months after the death of the  
 14 prize winner <sup>e</sup>that the personal representative wants the estate to be paid the  
 15 remaining prize money <sup>paid</sup> in the form of a lump sum, the administrator shall direct that  
 16 the payment be made as a lump sum. The administrator shall establish a procedure  
 17 to be used by personal representatives for <sup>submitting petitions</sup> ~~providing notification~~ under this  
 18 paragraph.

19 **SECTION 9337. Initial applicability; Revenue.**

20 (1) PAYMENTS TO ESTATES OF LOTTERY WINNERS. The renumbering and  
 21 amendment of section 565.30 (1) of the statutes and the creation of section 565.30 (1)  
 22 (b) of the statutes first apply to the annuity payments made to the estates of prize  
 23 winners that are paid on the effective date of this subsection.

24 **SECTION 9437. Effective dates; Revenue.**

25 (1) PAYMENTS TO ESTATES OF LOTTERY WINNERS. The renumbering and  
 amendment of section 565.30 (1) of the statutes <sup>and</sup> the creation of section 565.30 (1) (b)

or within 18 months after the effective date of the  
 this paragraph, ... [LRB inserts date], to have

1 of the statutes, and SECTION 9337 (1) of this act take effect on the first day of the 4th  
2 month beginning after publication.

3 (END)

## Gibson-Glass, Mary

---

**From:** Ley, Emily A - DOA <Emily.Ley@wisconsin.gov>  
**Sent:** Monday, February 04, 2013 10:19 AM  
**To:** Gibson-Glass, Mary  
**Subject:** LRB 0229 Lottery annuity upon death

Hi Mary,

We have one last adjustment to draft 4, section 2 (page 2 lines 15 and 19).

The Lottery would like beneficiaries currently receiving annuity payments after the death of the prize winner to be eligible for the lump sum payment option even if the beneficiary is not the personal representative of the estate. There are cases in which beneficiaries inherited the annuity and DOR wants the lump sum payment option to apply to these cases too (this only applies to deaths already occurred). Here is what we suggest:

Page 2 line 15:

“the administrator within 18 months after the death of the prize winner or a beneficiary of an annuity petitions the administrator within 18 months after the effective date of this paragraph .... [LRB inserts date], to have the”

Page 2 line 19:

“procedure to be used ~~by personal representatives~~ for submitting petitions under this”

What do you think?

I am at my desk all day if you have questions. Thank you all of your help and patience on this draft.

Emily

Emily Ley  
Executive Policy & Budget Analyst  
Department of Administration  
Division of Executive Budget and Finance  
(608)-266-7597  
[emily.ley@wisconsin.gov](mailto:emily.ley@wisconsin.gov)

## Gibson-Glass, Mary

---

**From:** Gibson-Glass, Mary  
**Sent:** Monday, February 04, 2013 3:17 PM  
**To:** Ley, Emily A - DOA  
**Subject:** RE: LRB -0229 proposed language

I have rewritten this again and this time I am putting it into editing. I rewrote it so the word "beneficiary" is not used and I have defined personal representative. I am redrafting the draft and putting it through regular channels. Let me know if you have any questions.

Mary

---

**From:** Ley, Emily A - DOA [<mailto:Emily.Ley@wisconsin.gov>]  
**Sent:** Monday, February 04, 2013 2:44 PM  
**To:** Gibson-Glass, Mary  
**Subject:** RE: LRB -0229 proposed language

Mary,  
I think the content is you sent works really well!  
I think we should probably define "personal representative" in s. 565.01.  
And we might consider changing beneficiary from section 2 to "beneficial owner" as defined under s. 565.01(1m)

What do you think?

---

**From:** Gibson-Glass, Mary [<mailto:Mary.Gibson-Glass@legis.wisconsin.gov>]  
**Sent:** Monday, February 04, 2013 2:09 PM  
**To:** Ley, Emily A - DOA  
**Subject:** LRB -0229 proposed language

Mary Gibson-Glass

Senior Legislative Attorney

Legislative Reference Bureau

608 267 3215

<<13-0229/5ins>>





State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-022914  
MGG:kjf:ph

5 RMR

DOA:.....Ley, BB0105 - Lottery annuity upon death

**FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION**

It also allows <sup>persons</sup> ~~beneficiaries~~ <sup>other than</sup> prize winners, who are receiving installments of unpaid prize money to also <sup>choose</sup> a lump sum payment.

annuity payments

choose

choose

annuity payments

Don't Gen

1

AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**GAMBLING**

Under current law, a lottery prize winner may receive payment of the prize either in the form of a lump sum or in installments as an annuity. If a prize winner dies before all of the installments are made, the prize may be paid to the person's estate.

This bill specifically provides that in the case of the death of a prize winner, any installments that have not been paid shall be paid to the winner's estate. The bill also authorizes the personal representative of an estate to choose for the estate to receive the remaining installments as a lump sum. The ability to choose a lump sum payment is not available when the prize money is from a multistate lottery.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

2

SECTION 1. 565.30 (1) of the statutes is renumbered 565.30 (1) (a) and amended

3

to read:

insert 1-2

565.30 (1) (a) The administrator shall direct the payment of a prize, in the form elected under s. 565.28, if applicable, to the holder of the winning lottery ticket or lottery share or to a person designated under sub. (2), except that a prize may be paid to another person under a court order or, upon the death of a prize winner, any prize money that has not been paid shall be paid to the prize winner's estate of a deceased prize winner.

(e) ~~(d)~~ The department, administrator, state and any contractor for materials, equipment or services of the game in which the prize is won are discharged of all liability upon payment of the prize to the holder of a winning lottery ticket or lottery share.

**SECTION 2.** 565.30 (1) (b) of the statutes is created to read:

565.30 (1) (b) If prize money, other than prize money from a multijurisdictional lottery, is being paid in the form of an annuity to a prize winner at the time of his or her death, and if the personal representative of the prize winner's estate petitions the administrator within 18 months after the death of the prize winner or within 18 months after the effective date of this paragraph .... [LRB inserts date], to have the remaining prize money paid in the form of a lump sum, the administrator shall direct that the payment be made as a lump sum. The administrator shall establish a procedure to be used by personal representatives for submitting petitions under this paragraph.

**SECTION 9437. Effective dates; Revenue.**

**LOTTERY PAYMENTS**  
(1) ~~PAYMENTS TO ESTATES OF LOTTERY WINNERS~~ The renumbering and amendment of section 565.30 (1) of the statutes and the creation of section 565.30 (1)

← INSERT 2-20

, (c), and (d)

1 (b) of the statutes take effect on the first day of the 4th month beginning after  
2 publication.

3 (END)

**2013-2014 DRAFTING INSERT**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-0229/5ins  
MGG:....

*insert 1-2*

1

2

**SECTION 1.** 565.01 (4n) of the statutes is created to read:

3

565.01 (4n) "Personal representative" has the meaning given in s. 851.23.

4

**SECTION 2.** 565.30 (1) (b) of the statutes is created to read:

5

565.30 (1) (b) If prize money, other than prize money from a multijurisdictional

6

lottery, is being paid in the form of an annuity to a person at the time of his or her

7

death, and if the personal representative of the deceased person's estate petitions the

8

administrator within 18 months after the effective date of this paragraph .... [LRB

9

inserts date], or within 18 months after the date of death of the person, whichever

10

is later, to have the remaining prize money paid in the form of a lump sum, the

11

administrator shall direct that the payment be made as a lump sum.

12

**SECTION 3.** 565.30 (1) (c) of the statutes is created to read:

13

565.30 (1) (c) If prize money, other than prize money from a multijurisdictional

14

lottery, is being paid in the form of an annuity to a person, other than a prize winner,

15

and if the person petitions the administrator within 18 months after the effective

16

date of this paragraph .... [LRB inserts date], or within 18 months after the date of

17

the receipt of the first annuity payment by the person, whichever is later, to have the

18

remaining prize money paid in the form of a lump sum, the administrator shall direct

19

that the payment be made in a lump sum.

20

**SECTION 4.** 565.30 (1) (d) of the statutes is created to read:

21

565.30 (1) (d) The administrator shall establish a procedure for submitting

22

petitions under pars. (b) and (c).

*insert  
2-20*



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-0229/5  
MGG:kjf:jm

DOA:.....Ley, BB0105 – Lottery annuity payments as lump sums

**FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION**

1 **AN ACT ...; relating to: the budget.**

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*Analysis by the Legislative Reference Bureau*

**GAMBLING**

Under current law, a lottery prize winner may receive payment of the prize either in the form of a lump sum or in installments as an annuity. If a prize winner dies before all of the annuity payments are made, the prize may be paid to the person's estate.

This bill specifically provides that in the case of the death of a prize winner, any installments that have not been paid shall be paid to the winner's estate. The bill also authorizes the personal representative of an estate to choose for the estate to receive the remaining installments as a lump sum. It also allows persons, other than prize winners, who are receiving annuity payments of unpaid prize money to also choose a lump sum payment. The ability to choose a lump sum payment is not available when the prize money is from a multistate lottery.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

2 **SECTION 1.** 565.01 (4n) of the statutes is created to read:

1           565.01 (4n) “Personal representative” has the meaning given in s. 851.23.

2           **SECTION 2.** 565.30 (1) of the statutes is renumbered 565.30 (1) (a) and amended  
3 to read:

4           565.30 (1) (a) The administrator shall direct the payment of a prize, in the form  
5 elected under s. 565.28, if applicable, to the holder of the winning lottery ticket or  
6 lottery share or to a person designated under sub. (2), except that a prize may be paid  
7 to another person under a court order or, upon the death of a prize winner, any prize  
8 money that has not been paid shall be paid to the prize winner’s estate of a deceased  
9 prize winner.

10          (e) The department, administrator, state and any contractor for materials,  
11 equipment or services of the game in which the prize is won are discharged of all  
12 liability upon payment of the prize to the holder of a winning lottery ticket or lottery  
13 share.

14          **SECTION 3.** 565.30 (1) (b) of the statutes is created to read:

15          565.30 (1) (b) If prize money, other than prize money from a multijurisdictional  
16 lottery, is being paid in the form of an annuity to a person at the time of his or her  
17 death, and if the personal representative of the deceased person’s estate petitions the  
18 administrator within 18 months after the effective date of this paragraph .... [LRB  
19 inserts date], or within 18 months after the date of death of the person, whichever  
20 is later, to have the remaining prize money paid in the form of a lump sum, the  
21 administrator shall direct that the payment be made as a lump sum.

22          **SECTION 4.** 565.30 (1) (c) of the statutes is created to read:

23          565.30 (1) (c) If prize money, other than prize money from a multijurisdictional  
24 lottery, is being paid in the form of an annuity to a person, other than a prize winner,  
25 and if the person petitions the administrator within 18 months after the effective

1 date of this paragraph .... [LRB inserts date], or within 18 months after the date of  
2 the receipt of the first annuity payment by the person, whichever is later, to have the  
3 remaining prize money paid in the form of a lump sum, the administrator shall direct  
4 that the payment be made in a lump sum.

5 **SECTION 5.** 565.30 (1) (d) of the statutes is created to read:

6 565.30 (1) (d) The administrator shall establish a procedure for submitting  
7 petitions under pars. (b) and (c).

8 **SECTION 9437. Effective dates; Revenue.**

9 (1) LOTTERY PAYMENTS. The renumbering and amendment of section 565.30 (1)  
10 of the statutes and the creation of section 565.30 (1) (b), (c), and (d) of the statutes  
11 take effect on the first day of the 4th month beginning after publication.

12 (END)